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As I officially leave public service on February 15, 2006, I am confident that under the leadership of Commissioner of Insurance Jim Donelon our progress will go uninterrupted and the continued reform measures aimed at improving the insurance landscape in Louisiana will be implemented by the new administration. I sincerely thank each and every employee of the Department of Insurance for working with me over the past five years to make our office a place the state can once again be proud of.

State Regulators’ Response to the Gulf Crisis



Twenty commissioners of insurance met Commissioner Robert Wooley and Chief Deputy Commissioner Jim Donelon at the 17th Street Canal Levee in Orleans Parish last week as part of their Gulf States Tour of Hurricane Katrina’s destruction. Coordinating the event was Ms. Cathy Weatherford, Executive Vice-President and CEO, of the National Association of Insurance Commissioners (NAIC), and several of her key NAIC staff members.

The commissioners represented the states of Alabama, Arizona, Connecticut, Florida, Georgia, Idaho, Kentucky, Massachusetts, Maine, Michigan, Missouri, Mississippi, North Dakota, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Utah and West Virginia.

In a coordinated effort through the NAIC, state regulators immediately united to respond to the crisis in the Gulf states. State regulators established a national network

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Louisiana Property and Casualty Insurance Commission Members

Commissioner Robert Wooley
Jeff Albright
Col. Jim Champagne
Chuck McMains
Terry Lisotta
H. “Marc” Carter
Senator James David Cain

Representative Karen Carter
Senator Donald Cravins
Earl Taylor
Kay Hodges
Richard L. Stalder

Tom O’Neal
Theodore “Ted” Haik, Jr
Aubrey T. Temple, Jr.
Nicholas Gachassin
Richard Clements
Chad Brown
Lorrie Brouse

to maximize responsiveness to this natural disaster. An Emergency Responder Database of state resources was created. This network identified consumer assistance experts from around the nation to help support state insurance departments in the Gulf states.

A toll-free number was established to serve as back-up to assist with overflow consumer calls to the Gulf region. Seventy volunteers from 13 states, along with NAIC staff support, operated the Call Center in the NAIC’s headquarters in Kansas City. During its operational period from September 14, 2005 to January 6, 2006, the volunteers received 2,308 consumer calls, with 62 percent resolved by volunteer regulators.

Since September 2005, total telephone and on-location support by state regulators has included over 200 volunteers and more than 10,000 hours of state to state support.

Recent events demonstrate that the United States is not well prepared to deal with the aftermath of large natural disasters. The NAIC Catastrophe Insurance Working Group has been leading a discussion on how to best address these compelling needs, resulting in a draft proposal- *Natural Catastrophe Risk: Creating a Comprehensive National Plan.*¹

Gulf States Tour

The tour began in coastal Alabama with Commissioner Walter Bell reinforcing the devastation to the shrimping industry by Hurricane Katrina. Approximately 7,000 evacuees from Mississippi and Louisiana remain in the state, down from a high of 50,000. Alabama Department of Insurance staff members staffed all FEMA Disaster Recovery Centers and visited dozens of shelters after Katrina to provide consumer assistance.

The next scheduled stop was Biloxi, Mississippi near the Beau Rivage Resort. The tour then proceeded down Highway 90 to Gulfport, where Commissioner Dale reported that over 183,000 claims have been filed in six coastal counties for Hurricanes Katrina and Rita. Approximately \$4,777,394,464 has been paid out in claims, including over \$1.8 billion in NFIP claims.

Following I-10 from Mississippi to New Orleans, the group ended the tour at the 17th Street Canal Levee, where they were met by Commissioner Wooley. Information released from the Department states that combined hurricane (Katrina and Rita) losses paid to date are: \$12,005,877,449, with 945,759 reported claims and 102,363 reported total losses. There have been only 4,800 formal storm-related consumer complaints filed with the Department at a time when the Louisiana insurance industry is faced with nearly one million storm-related property claims.



Chief Deputy Commissioner Donelon and NAIC President & Maine Superintendent Iuppa tour the damage in New Orleans.

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Commissioner Wooley Announces Retirement

Statement of Commissioner Robert Wooley:

After careful consideration for my family, the employees of this Department and the voters who placed their confidence in me more than two years ago, I have decided to leave the Department of Insurance to pursue new opportunities in the private sector.

When I joined the Department in 1999 for what I figured would be a brief stint, I never imagined I would end up being Commissioner. I have always said “I am no politician,” which made my decision to run for this office then just as difficult as the decision is that I am making now.

When I took over as Commissioner, I knew I didn’t stand a chance of improving the regulatory climate without repairing the tarnished image of an office in which all public trust had been destroyed. Gradually, with the help of my chief deputy Jim Donelon and the entire Department of Insurance staff, we were able to restore confidence in our office, which helped us develop a more competitive market and increase the availability of property insurance.

By correcting the Department’s problems of the past and restoring its credibility, we were better prepared for the impending crisis of Hurricanes Katrina and Rita. As the first state agency to reopen following the storms, our employees were able to meet the challenge when the number of monthly consumer telephone calls increased from approximately 6,000 to 20,000.

Only 4,800 formal storm-related consumer complaints have been filed with this Department at a time when the Louisiana insurance industry is faced with nearly one million storm-related property claims. Simply put, our employees have once again gone above and beyond just getting the job done. They have demonstrated they are proud to be a part of what this Department has become.

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Louisiana Property and Casualty Insurance Commission-Monthly Report

- ◆ *The Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)

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- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.